

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

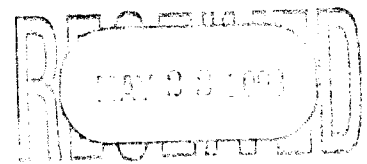
**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**



W-01646A  
Miracle Valley Water Company, Inc.  
P.O. Box 2903  
Sierra Vista AZ 856360000

**ANNUAL REPORT**

ARIZONA CORPORATION  
COMMISSION



Letterhead of Commission

**FOR YEAR ENDING**

|           |           |             |
|-----------|-----------|-------------|
| <b>12</b> | <b>31</b> | <b>2002</b> |
|-----------|-----------|-------------|

*Entered  
5/22/03  
Cym.*

FOR COMMISSION USE

|               |           |
|---------------|-----------|
| <i>ANN 04</i> | <i>02</i> |
|---------------|-----------|

*OK*

## COMPANY INFORMATION

Company Name (Business Name) Miracle Valley water

Mailing Address Po Box 2903  
(Street)  
Sierra Vista AZ 85636-2903  
(City) (State) (Zip)

520 3783349 5203786549 9403513  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address WOBSEA@CZ12.COM

Local Office ~~(Name)~~ Address 5161 Hereford Rd  
(Street)  
Hereford AZ 85615  
(City) (State) (Zip)  
SAA

Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address SAA

## MANAGEMENT INFORMATION

Management Contact: John A McLean owner  
(Name) (Title)

7110 JAXEL RD Hereford AZ 85615  
(Street) (City) (State) (Zip)

520/ 3783349 5203786549 9403513  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address SAA

On Site Manager: John A McLean  
(Name)

SAA  
(Street) (City) (State) (Zip)

SAA  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address SAA

Statutory Agent: JOHNNY A McLEAN  
 (Name)

7110 SAKEL RD Shoreland AZ 85615  
 (Street) (City) (State) (Zip)

520 378 3349 520 378 6549 940 3513  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: N.A.  
 (Name)

\_\_\_\_\_  
 (Street) (City) (State) (Zip)

\_\_\_\_\_  
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |   |   |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S)    | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input checked="" type="checkbox"/> Subchapter S Corporation (Z)          |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co op (A)                            |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                        |
| <input type="checkbox"/> Other (Describe) _____ |   |

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |   |                                   |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input checked="" type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM             | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA           | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA               | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI            | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |   |                                   |

COMPANY NAME

Miracle Valley Water Co

UTILITY PLANT IN SERVICE

| Acct. No. | DESCRIPTION  | Original Cost (OC) | Accumulated Depreciation (AD) | O.C.L.D. (OC less AD) |
|-----------|--|--------------------|-------------------------------|-----------------------|
| 301       | Organization   | 7500               | 0                             | 0                     |
| 302       | Franchises   | 4000               | 0                             | 0                     |
| 303       | Land and Land Rights   | 5000               | 0                             | 0                     |
| 304       | Structures and Improvements  | 7250               | 7250                          | 0                     |
| 307       | Wells and Springs  | 20998              | 20995                         | 0                     |
| 311       | Pumping Equipment <sup>40HP</sup> <del>Pump</del> 4900                         | 23097              | 16184                         | 6913                  |
| 320       | Water Treatment Equipment  | 0                  | 0                             | 0                     |
| 330       | Distribution Reservoirs and Standpipes <sup>750</sup> <del>Refining</del> 9150 | 33528              | 20429                         | 13099                 |
| 331       | Transmission and Distribution Mains  | 123609             | 83356                         | 40253                 |
| 333       | Services : $X250 =$  | 32200              | 14024                         | 18176                 |
| 334       | Meters and Meter Installations $X260 =$  | 29960              | 15731                         | 14229                 |
| 335       | Hydrants   | 0                  | 0                             | 0                     |
| 336       | Backflow Prevention Devices  | 0                  | 0                             | 0                     |
| 339       | Other Plant and Misc. Equipment  | 1790               | 1790                          | 0                     |
| 340       | Office Furniture and Equipment   | 0                  | 0                             | 0                     |
| 341       | Transportation Equipment   | 7375               | 2303                          | 5072                  |
| 343       | Tools, Shop and Garage Equipment   | 1936               | 1149                          | 787                   |
| 344       | Laboratory Equipment   | 0                  | 0                             | 0                     |
| 345       | Power Operated Equipment   | 300                | 45                            | 255                   |
| 346       | Communication Equipment  | 1349               | 405                           | 944                   |
| 347       | Miscellaneous Equipment  | 1050               | 692                           | 358                   |
| 348       | Other Tangible Plant   | 795                | 479                           | 316                   |
|           | <b>TOTALS</b>  | <b>301737</b>      | <b>194835</b>                 | <b>99454</b>          |

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

*Miracle Valley Water Co***CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

| Acct. No. | DESCRIPTION                            | Original Cost (1) | Depreciation Percentage (2) | Depreciation Expense (1x2) |
|-----------|--|-------------------|-----------------------------|----------------------------|
| 301       | Organization                           | 7500              | 0                           | 0                          |
| 302       | Franchises                             | 4000              | 0                           | 0                          |
| 303       | Land and Land Rights                   | 5000              | 0                           | 0                          |
| 304       | Structures and Improvements            | 7250              | 5%                          | 362.50                     |
| 307       | Wells and Springs                      | 20998             |                             | 1049.90                    |
| 311       | Pumping Equipment                      | 23097             |                             | 1154.85                    |
| 320       | Water Treatment Equipment              | 0                 | 0                           | 0                          |
| 330       | Distribution Reservoirs and Standpipes | 33528             |                             | 1676.40                    |
| 331       | Transmission and Distribution Mains    | 123609            |                             | 6180.45                    |
| 333       | Services                               | 32200             |                             | 1610.00                    |
| 334       | Meters and Meter Installations         | 29960             |                             | 1498.00                    |
| 335       | Hydrants                               | 0                 |                             | 0                          |
| 336       | Backflow Prevention Devices            | 0                 | 0                           | 0                          |
| 339       | Other Plant and Misc. Equipment        | 1790              |                             | 89.50                      |
| 340       | Office Furniture and Equipment         | 0                 | 0                           | 0                          |
| 341       | Transportation Equipment               | 7375              |                             | 368.75                     |
| 343       | Tools, Shop and Garage Equipment       | 1936              |                             | 96.80                      |
| 344       | Laboratory Equipment                   | 0                 | 0                           | 0                          |
| 345       | Power Operated Equipment               | 300               |                             | 15.00                      |
| 346       | Communication Equipment                | 1349              |                             | 67.45                      |
| 347       | Miscellaneous Equipment                | 1050              |                             | 52.50                      |
| 348       | Other Tangible Plant                   | 795               |                             | 39.75                      |
|           | <b>TOTALS</b>                          | <b>301737</b>     | <b>5%</b>                   | <b>12942</b>               |

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

|                     |                             |
|---------------------|-----------------------------|
| <b>COMPANY NAME</b> | <i>Miracle Valley Water</i> |
|---------------------|-----------------------------|

**BALANCE SHEET**

| Acct.<br>No. | ASSETS                                      | BALANCE AT<br>BEGINNING OF<br>YEAR | BALANCE AT<br>END OF<br>YEAR |
|--------------|---|------------------------------------|------------------------------|
|              | <b>CURRENT AND ACCRUED ASSETS</b>           |                                    |                              |
| 131          | Cash  | \$ 175                             | \$ 75                        |
| 134          | Working Funds                               | 0                                  | 0                            |
| 135          | Temporary Cash Investments                  | 0                                  | 0                            |
| 141          | Customer Accounts Receivable                | 2975                               | 2237                         |
| 146          | Notes/Receivables from Associated Companies | 0                                  | 0                            |
| 151          | Plant Material and Supplies                 | 0                                  | 0                            |
| 162          | Prepayments                                 | 0                                  | 0                            |
| 174          | Miscellaneous Current and Accrued Assets    | 0                                  | 0                            |
|              | <b>TOTAL CURRENT AND ACCRUED ASSETS</b>     | \$ 3150                            | \$ 2312                      |
|              | <b>FIXED ASSETS</b>                         |                                    |                              |
| 101          | Utility Plant in Service                    | \$ 291087                          | \$ 301737                    |
| 103          | Property Held for Future Use                | 0                                  | 0                            |
| 105          | Construction Work in Progress               | 0                                  | 0                            |
| 108          | Accumulated Depreciation – Utility Plant    | 176393                             | 184835                       |
| 121          | Non-Utility Property                        | 0                                  | 0                            |
| 122          | Accumulated Depreciation – Non Utility      | 0                                  | 0                            |
|              | <b>TOTAL FIXED ASSETS</b>                   | \$ 114694                          | \$ 116902                    |
|              | <b>TOTAL ASSETS</b>                         | \$ 117844                          | \$ 119214                    |

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

*Mineral Valley Water Co***BALANCE SHEET (CONTINUED)**

| Acct.<br>No. |   | BALANCE AT<br>BEGINNING OF<br>YEAR | BALANCE AT<br>END OF<br>YEAR |
|--------------|---|------------------------------------|------------------------------|
|              | <b>LIABILITIES</b>                                |                                    |                              |
|              | <b>CURRENT LIABILITIES</b>                        |                                    |                              |
| 231          | Accounts Payable                                  | \$ 10 000                          | \$ 10 000                    |
| 232          | Notes Payable (Current Portion)                   | 13 000                             | 13 000                       |
| 234          | Notes/Accounts Payable to Associated Companies    | 16 000                             | 16 000                       |
| 235          | Customer Deposits                                 | 9355                               | 2200                         |
| 236          | Accrued Taxes                                     |                                    |                              |
| 237          | Accrued Interest                                  |                                    |                              |
| 241          | Miscellaneous Current and Accrued Liabilities     |                                    | 74652                        |
|              | <b>TOTAL CURRENT LIABILITIES</b>                  | \$ 48365                           | \$ 116852                    |
|              | <b>LONG-TERM DEBT (Over 12 Months)</b>            |                                    |                              |
| 224          | Long-Term Notes and Bonds                         | \$ 300 000                         | \$ 300 000                   |
|              | <b>DEFERRED CREDITS</b>                           |                                    |                              |
| 251          | Unamortized Premium on Debt                       | \$ 0                               | \$ 0                         |
| 252          | Advances in Aid of Construction                   | 0                                  | 0                            |
| 255          | Accumulated Deferred Investment Tax Credits       | 0                                  | 0                            |
| 271          | Contributions in Aid of Construction              | 0                                  | 0                            |
| 272          | Less: Amortization of Contributions               | 0                                  | 0                            |
| 281          | Accumulated Deferred Income Tax                   | 0                                  | 0                            |
|              | <b>TOTAL DEFERRED CREDITS</b>                     | \$ 0                               | \$ 0                         |
|              | <b>TOTAL LIABILITIES</b>                          | \$ 348 355                         | \$ 416852                    |
|              | <b>CAPITAL ACCOUNTS</b>                           |                                    |                              |
| 201          | Common Stock Issued                               | \$ 100                             | \$ 100                       |
| 211          | Paid in Capital in Excess of Par Value            | (230411)                           | (297438)                     |
| 215          | Retained Earnings                                 | 0                                  | 0                            |
| 218          | Proprietary Capital (Sole Props and Partnerships) | 0                                  | 0                            |
|              | <b>TOTAL CAPITAL</b>                              | \$ (230511)                        | \$ (297538)                  |
|              | <b>TOTAL LIABILITIES AND CAPITAL</b>              | \$ 117844                          | \$ 119314                    |

COMPANY NAME

Miracle Valley water

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES                        | PRIOR YEAR | CURRENT YEAR |
|-----------|---|------------|--------------|
| 461       | Metered Water Revenue                     | \$ 53413   | \$ 46728     |
| 460       | Unmetered Water Revenue                   | 0          | 0            |
| 474       | Other Water Revenues                      | 0          | 0            |
|           | <b>TOTAL REVENUES</b>                     | \$ 53413   | \$ 46728     |
|           | <b>OPERATING EXPENSES</b>                 |            |              |
| 601       | Salaries and Wages                        | \$ 578     | \$ 520       |
| 610       | Purchased Water                           | 0          | 0            |
| 615       | Purchased Power                           | 9707       | 9905         |
| 618       | Chemicals                                 | 300        | 400          |
| 620       | Repairs and Maintenance 40 H.R. Repair +  | 4175       | 8750         |
| 621       | Office Supplies and Expense               | (See 630)  | (See 630)    |
| 630       | Outside Services                          | 25000      | 25000        |
| 635       | Water Testing                             | 1207       | 1207         |
| 641       | Rents                                     | (See 630)  | (See 630)    |
| 650       | Transportation Expenses                   | 2400       | 2400         |
| 657       | Insurance - General Liability             | 3430       | 3930         |
| 659       | Insurance - Health and Life               | 1544       | 1544         |
| 666       | Regulatory Commission Expense - Rate Case | 1580       |              |
| 675       | Miscellaneous Expense                     | (See 630)  | (See 630)    |
| 403       | Depreciation Expense                      | 1174.1     | 12942        |
| 408       | Taxes Other Than Income                   | 0          | 0            |
| 408.11    | Property Taxes                            | 2210       | 2240         |
| 409       | Income Tax                                | 0          | 0            |
|           | <b>TOTAL OPERATING EXPENSES</b>           | \$ 63572   | \$ 68708     |
|           | <b>OPERATING INCOME/(LOSS)</b>            | \$         | (\$ 21980)   |
|           | <b>OTHER INCOME/(EXPENSE)</b>             |            |              |
| 419       | Interest and Dividend Income              | \$ 0       | \$ 0         |
| 421       | Non-Utility Income                        | 0          | 0            |
| 426       | Miscellaneous Non-Utility Expenses        | 0          | 0            |
| 427       | Interest Expense                          | 0          | 0            |
|           | <b>TOTAL OTHER INCOME/(EXPENSE)</b>       | \$ 0       | \$ 0         |
|           | <b>NET INCOME/(LOSS)</b>                  | \$ (10459) | (\$ 21980)   |



COMPANY NAME

Miracle Valley water

SUPPLEMENTAL FINANCIAL DATA

## Long-Term Debt

|                        | LOAN #1  | LOAN #2  | LOAN #3   | LOAN #4 |
|------------------------|----------|----------|-----------|---------|
| Date Issued            | 5-87     | 5-87     | 5-88      |         |
| Source of Loan         | Revenue  | Revenue  | Revenue   |         |
| ACC Decision No.       |          |          |           |         |
| Reason for Loan        | Buy out  | Buy out  | O/E       |         |
| Dollar Amount Issued   | \$ 17000 | \$ 83000 | \$ 200000 | \$      |
| Amount Outstanding     | \$ 0     | \$ 83830 | \$ 235000 | \$      |
| Date of Maturity       | open     | open     | open      |         |
| Interest Rate          | 10%      | 1%       | 8%        |         |
| Current Year Interest  | \$ 1700  | \$ 830   | \$        | \$      |
| Current Year Principle | \$ 5000  | \$ 0     | \$ 0      | \$      |

Meter Deposit Balance at Test Year End

\$ 9043

Meter Deposits Refunded During the Test Year

\$ 2050

COMPANY NAME

Miracle Valley water

WATER COMPANY PLANT DESCRIPTIONWELLS

| ADWR ID Number* | Pump Horsepower | Pump Yield (Gpm) | Casing Depth (Feet) | Casing Diameter (Inches) | Meter Size (inches) | Year Drilled   |
|-----------------|-----------------|------------------|---------------------|--------------------------|---------------------|----------------|
| 690015          | 40              | 300              | 450                 | 10"                      | 3"                  | 58?            |
|                 | 5               | <del>100</del>   | <del>150</del>      | <del>6"</del>            | <del>NA</del>       | <del>50?</del> |
|                 |                 |                  |                     |                          |                     |                |
|                 |                 |                  |                     |                          |                     |                |
|                 |                 |                  |                     |                          |                     |                |
|                 |                 |                  |                     |                          |                     |                |

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

| Name or Description    | Capacity (gpm) | Gallons Purchased or Obtained (in thousands) |
|------------------------|----------------|--|
| CORRUSE WATER 55-57767 | 100            | NA   |
|                        |                |  |

| BOOSTER PUMPS |          | FIRE HYDRANTS     |                |
|---------------|----------|-------------------|----------------|
| Horsepower    | Quantity | Quantity Standard | Quantity Other |
|               |          |                   |                |
| NA            |          |                   |                |
|               |          |                   |                |

| STORAGE TANKS        |              | PRESSURE TANKS |            |
|----------------------|--------------|----------------|------------|
| Capacity             | Quantity     | Capacity       | Quantity   |
| CCC 15000            | 1            | 10,000         | 1          |
| <del>WELL TANK</del> | <del>1</del> | 5,000          | well ADW 1 |
|                      |              |                |            |

COMPANY NAME

MILCO

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)****MAINS**

| Size (in inches) | Material | Length (in feet) |
|------------------|----------|------------------|
| 2                | PVC      | 25020            |
| 3                |          |                  |
| 4                | PVC-AC   | 21510            |
| 5                |          |                  |
| 6                | PVC-AC   | 2560             |
| 8                |          |                  |
| 10               |          |                  |
| 12               |          |                  |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |
|                  |          |                  |

**CUSTOMER METERS**

| Size (in inches) | Quantity |
|------------------|----------|
| 5/8 X 3/4        | 109      |
| 3/4              | 100      |
| 1                |          |
| 1 1/2            |          |
| 2                | 2        |
| Comp. 3          |          |
| Turbo 3          |          |
| Comp. 4          |          |
| Tubo 4           |          |
| Comp. 6          |          |
| Tubo 6           |          |
|                  |          |
|                  |          |

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

NONE

**STRUCTURES:**

NONE

**OTHER:**

TWO WELLS AND FENCING  
ONE PRESSURE TANK AND ONE STORAGE TANK

COMPANY NAME:

MVC

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002**

| MONTH     | NUMBER OF CUSTOMERS | GALLONS SOLD | GALLON PUMPED (Thousands) |
|-----------|---------------------|--------------|---------------------------|
| JANUARY   | 193                 | 970 920      | 1016000                   |
| FEBRUARY  | 201                 | 1049720      | 1049720                   |
| MARCH     | 204                 | 1383700      | 1383700                   |
| APRIL     | 204                 | 1884060      | 1884060                   |
| MAY       | 203                 | 2426920      | 2426920                   |
| JUNE      | 210                 | 3042950      | 3042950                   |
| JULY      | 207                 | 3627488      | 3627488                   |
| AUGUST    | 216                 | 2138130      | 2138130                   |
| SEPTEMBER | 212                 | 2587090      | 2587090                   |
| OCTOBER   | 211                 | 1725830      | 1725830                   |
| NOVEMBER  | 211                 | 2265380      | 2265380                   |
| DECEMBER  | 211                 | 970920       | 101000                    |
| TOTAL     |                     | N/A          |                           |

24073108<sup>am</sup>

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes

(X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes

(X) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.0027 mg/l

(If more than one well, please list each separately)

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

COMPANY NAME MIRACLE VALLEY CARE YEAR ENDING 12/31/2002

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 2710.22

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. INDIGENT INCOME

COMPANY NAME MIRAGE VALLEY WATER YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

(21980)  
0

State Taxable Income Reported  
Estimated or Actual State Tax Liability

(21980)  
0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances

0

Amount of Gross-Up Tax Collected

0

Total Grossed-Up Contributions/Advances

0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

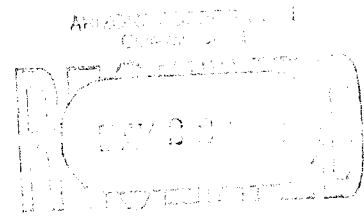
John A. McLean  
SIGNATURE

12-30-02  
DATE

JOHN A. MCLEAN  
PRINTED NAME

owner  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**



**VERIFICATION**

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

|                                |
|--------------------------------|
| COUNTY OF (COUNTY NAME)        |
| NAME (OWNER OR OFFICIAL) TITLE |
| COMPANY NAME                   |

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

|       |     |      |
|-------|-----|------|
| MONTH | DAY | YEAR |
| 12    | 31  | 2002 |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 46728

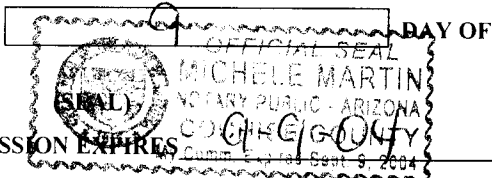
(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 2813  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



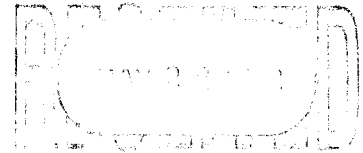
MY COMMISSION EXPIRES

John A. McLean  
SIGNATURE OF OWNER OR OFFICIAL  
520 3786549  
TELEPHONE NUMBER

|                            |      |
|----------------------------|------|
| COUNTY NAME                |      |
| MONTH                      | 2003 |
| SIGNATURE OF NOTARY PUBLIC |      |

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION  
COMMISSION



**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

|  |                       |
|--|-----------------------|
| COUNTY NAME <u>COCHISE</u>                           |                       |
| NAME (OWNER OR OFFICIAL)<br><u>JOHN WY A MC LAIR</u> | TITLE<br><u>owner</u> |
| COMPANY NAME<br><u>MIRACLE VALLEY WATER</u>          |                       |

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

|           |           |             |
|-----------|-----------|-------------|
| MONTH     | DAY       | YEAR        |
| <u>12</u> | <u>31</u> | <u>2002</u> |

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 46728

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 2813  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

John W A Mc Lair  
SIGNATURE OF OWNER OR OFFICIAL

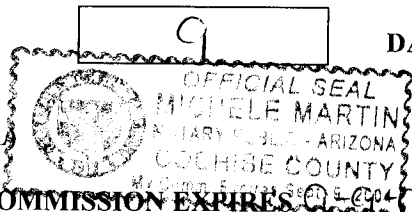
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9 DAY OF

(SEAL)

MY COMMISSION EXPIRES 01-01-04



|   |                      |
|---|----------------------|
| NOTARY PUBLIC NAME<br><u>Michele Martin</u> |                      |
| COUNTY NAME<br><u>Cochise</u>               |                      |
| MONTH<br><u>May</u>                         | YEAR<br><u>20 03</u> |

X Michele Martin  
SIGNATURE OF NOTARY PUBLIC